

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In re:

SHILO INN, BEND, LLC, *et. al.*,¹

Debtors and Debtors-in-Possession,

Case No. 21-41340-BDL

**AGREED FIRST INTERIM ORDER
AUTHORIZING DEBTOR'S USE OF
CASH COLLATERAL AND
SETTING A FINAL HEARING**

Affects All Debtors

- Affects SHILO INN, BEND, LLC
- Affects SHILO INN, WARRENTON, LLC

The Court, having read and considered the Ex Parte Emergency Motion for Entry of an Agreed First Interim Order Authorizing Debtor's Use of Cash Collateral and Setting a Final Hearing (the “***Motion***”) [Doc. No. __] filed by filed by Shilo Inn, Bend, LLC (“***Shilo Bend***”) and Shilo Inn, Warrenton, LLC (“***Shilo Warrenton***”) (each a “***Debtor***” and, collectively, the “***Debtors***”) the debtors and debtors in possession in the above-captioned, proposed jointly-administered chapter 11 bankruptcy cases, and any responses thereto, and the pleadings and

¹ The Debtors are Shilo Inn, Bend, LLC, Bankruptcy Case No. 21-41340-BDL and Shilo Inn, Warrenton, LLC, Bankruptcy Case No. 21-41341-BDL. The cases are jointly administered.

ORDER: (A) AUTHORIZING DEBTORS TO USE CASH COLLATERAL AND (B) SETTING A FINAL HEARING - 1

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1 declarations submitted therewith, the Court hereby finds and concludes:

2 A. The Debtors filed voluntary petitions for relief under Chapter 11 on August 13,
3 2021 (the “**Petition Date**”). The Debtor has retained control over its assets and continues to operate
4 its business pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

5 B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.

6 C. This is a “core” proceeding within the meaning of 28 U.S.C. § 157(b)(2)(M), among
7 other provisions, and the Court has the authority to enter this Order pursuant to 11 U.S.C. §§ 363
8 and 105, among other sections.

9 D. Notice of the ex parte Motion was sufficient under the circumstances.

10 E. The predecessor in interest of RSS WFCM2015NXS4-OR SIB, LLC, secured
11 creditor as to the loan to Shilo Bend, and RSS WFCM2016NXS5-OR SIW, LLC, secured creditor
12 as to the loan to Shilo Warrenton (each a “**Secured Creditor**” and, collectively, the “**Secured**
13 **Creditor**”) extended certain pre-petition credit facilities to Shilo Bend and Shilo Warrenton,
14 respectively (collectively, the “**Credit Facilities**”).

15 F. The Credit Facilities are evidenced, in part, by certain notes, security instruments,
16 assignments of leases, UCC-1 statements, and any and all other pre-petition documents,
17 agreements, and instruments evidencing, securing, or in any manner relating to the loans, which
18 shall be collectively referred to as the “**Loan Documents**.”

19 G. The Secured Creditor succeeded by assignment to all of the interests of the Original
20 Lender in the Loan Documents; and as a result, the Secured Creditor is the current holder of the
21 Notes and the Loan Documents.

22 H. The Debtors are in the process of reviewing and analyzing their respective
23 obligations under the Loan Documents “(the “**Prepetition Obligations**”) and the validity, extent
24 and priority of Secured Creditor’s interests in and to the Debtors’ assets (the “**Prepetition**
25 **Collateral**”).

26 I. The Debtors propose to use Cash Collateral pursuant to the terms set forth herein

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1 and the separate respective budgets attached hereto as Exhibit A (with respect to Shilo Bend) and
2 Exhibit B (with respect to Shilo Warrenton) (each, as applicable, the “**Budget**”). The Debtors have
3 requested that the Secured Creditor consent to the Debtor’s use of its Cash Collateral, and the
4 Secured Creditor has agreed to do so, but only on the terms set forth in this Interim Order.

5 J. The terms and conditions of this Order are fair and reasonable in connection with
6 the Debtor’s request to use Cash Collateral and provide adequate protection to the Secured Creditor
7 and the entry of this Order is in the best interests of the Debtor’s estate and its creditors.

8 Now, based upon the foregoing, it is hereby ORDERED:

9 1. The Motions are GRANTED on an interim limited basis pursuant to the terms and
10 conditions of this Order.

11 2. Use of Cash Collateral. Subject to the terms of this Order, each Debtor is authorized
12 to use cash collateral as defined in section 363(a) of the Bankruptcy Code (“**Cash Collateral**”) to
13 pay for the operating expenses and costs of administration incurred by the Debtor strictly in
14 accordance with the Budget, for the period of time (the “**Interim Period**”) from the date hereof
15 until the earliest to occur of (a) the date that this Order ceases to be in full force and effect, or (b)
16 the occurrence of a “**Termination Event**,” as defined below. Notwithstanding the foregoing, the
17 Debtor shall not be permitted to pay management fees to an “insider.” The Debtor shall provide
18 the Secured Creditor with copies of all other agreements to which it and any “insider” is a party in
19 respect of which payments are provided for in the Budget. The Debtor’s authority to use the Cash
20 Collateral shall terminate (A) automatically upon the occurrence of a Termination Event as set
21 forth below in paragraphs 3 (a), (b), (c), (d), (e), (f), (g), (h)(i), and (h)(ii) (all such Termination
22 events being referred to as the “**Automatic Termination Events**”); or, (B) upon further order or
23 relief from the Court upon the occurrence of any other Termination Event. Notwithstanding
24 anything herein, on the occurrence of a Termination Event, all of the rights, remedies, benefits,
25 and protections provided to the Secured Creditor under this Order shall survive such Termination
26 Event.

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1 3. Termination Event. A Termination Event shall constitute any of the following:

2 a) September 30, 2021 (the “*Outside Date*”);

3 b) the Debtor shall fail to deposit on a daily basis all cash receipts and
4 collections from whatever source in its post-petition debtor-in-possession account(s);

5 c) any order shall be entered, other than with the consent of the Secured
6 Creditor, reversing, amending, supplementing, staying, vacating, or otherwise modifying this
7 Order in any material respect or terminating the use of Cash Collateral by the Debtor pursuant to
8 this Order;

9 d) an application shall be filed by the Debtor for the approval of any
10 Superpriority Claim (as defined below) or any lien in the Chapter 11 Case (as defined below)
11 which is *pari passu* with or senior to the Adequate Protection Obligations (as defined below) or
12 Adequate Protection Liens (as defined below), or there shall be granted any such *pari passu* or
13 senior Superpriority Claim or lien in each case, except any such Superpriority Claim or lien arising
14 hereunder;

15 e) any order shall be entered granting relief from the automatic stay applicable
16 under section 362 of the Bankruptcy Code to the holder or holders of any security interest, lien or
17 right of setoff other than a security interest, lien or right of setoff of the Secured Creditor, to permit
18 foreclosure (or the granting of a deed in lieu of foreclosure or the like), possession, set-off or any
19 similar remedy with respect to any Collateral or any assets of the Debtor necessary to the conduct
20 of its businesses;

21 f) except as permitted by any order of this Court and included in the Budget,
22 the Debtor shall make any payment in respect of a prepetition claim;

23 g) (i) Shilo Bend’s or Shilo Warrenton’s chapter 11 case (each a “*Chapter 11*
24 *Case*”) shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code; or (ii) a
25 trustee under chapter 11 of the Bankruptcy Code, a responsible officer, or an examiner with
26 enlarged powers relating to the operation of the business (powers beyond those set forth in section

1 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code shall
2 be appointed or elected in a Chapter 11 Case;

3 h) except as would not reasonably be expected, individually or in the
4 aggregate, to have a material adverse effect, the Debtor fails to keep and maintain all property in
5 good working order and condition, ordinary wear and tear excepted;

6 i) the Debtor (i) fails to maintain, with financially sound and reputable
7 insurance companies (x) insurance in such amounts and against such risks as are customarily
8 maintained by companies of established repute engaged in the same or similar businesses operating
9 in the same or similar locations and (y) all insurance required to be maintained pursuant to the
10 Loan Documents, or (ii) fails to furnish to the Secured Creditor, upon reasonable request,
11 information in reasonable detail as to the insurance so maintained;

12 j) the Debtor fails to comply with all laws, rules, regulations, and orders of
13 any Governmental Authority applicable to it, its operations or its property, except where the failure
14 to do so, individually or in the aggregate, would not reasonably be expected to result in a material
15 adverse effect, *provided*, that the Debtor shall be entitled to contest in good faith any laws, rules,
16 regulations and order of any Governmental Authority so long as, prior to contesting such matters,
17 the Debtor notifies and obtains written consent of the Secured Creditor, which consent shall not
18 be unreasonably withheld; or

19 k) other than as provided in subparagraphs (a) through (g) of this paragraph 3,
20 the Debtor fails to comply with any of the terms or conditions of this Order; *provided, however*,
21 that the Secured Creditor may waive, in writing, any Termination Event.

22 4. Variances. The Debtor shall not exceed any line item on the Budget by an amount
23 exceeding ten percent (10%) of each such line item; *provided, however*, that the Debtor may make
24 expenditures up to ten percent (10%) in excess of the total budgeted expenses for that month in
25 the Budget so long as actual disbursements do not exceed one hundred and ten percent (110%) of
26 the budgeted total expenses for such month of the Budget (collectively, the "*Allowed Variance*").

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1 To the extent that the Debtor's use of funds is lower than provided for in the budget on a given
2 week during any period therein, the unused portion made be rolled over to the next weekly time
3 period in the budget.

4 5. Additional Approvals. In the event that an expense arises which is not within any
5 of the approved line items in the Budget, or the Debtor anticipates that any line item will need to
6 be exceeded by more than the Allowed Variance, the Debtor shall request approval from the
7 Secured Creditor, together with such back up and documentation as the Secured Creditor may
8 reasonably request, and the Secured Creditor shall have three (3) business days after the provision
9 of the request and the required back up and documentation within which to consent or object;
10 *provided, however,* in the event that the Secured Creditor does not consent or if the requested
11 expenditure presents an immediate threat to the business or property of the Debtor requiring action
12 or remediation before the expiration of three (3) business days, the Debtor may seek an expedited
13 response period from the Secured Creditor or the Debtor may file a motion with the Court seeking
14 amendment of the Budget and approval of the additional expense; *provided, further, however,* to
15 the extent possible, that prior to making any such application to the Court, the Debtor shall have
16 requested the Secured Creditor make an expedited determination whether to approve the Debtor's
17 proposed expenditure and provided the Secured Creditor with sufficient information and
18 documentation to consider the Debtor's request for approval. The Debtor shall not incur such
19 additional expense absent any such approval by the Secured Creditor or the Court.

20 6. Professional Fees. Notwithstanding anything to the contrary in this Order, no
21 payments for the Debtor's professional fees (including but not limited to those for the Debtor's
22 attorneys) are budgeted to be paid during the Interim Period, and such payments shall not in any
23 event be made without prior notice, hearing, and approval of this Court.

24 7. Reporting. Within five (5) days after the last business day of each month
25 commencing October 7, 2021 (each such date being referred to as a "**Reference Date**"), the Debtor
26 shall provide the Secured Creditor with a comparison of its actual expenditures in the month then

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1 ending to the Budget, on a line-by-line basis, in a form reasonably acceptable to the Secured
2 Creditor, consistent with the parties' prepetition practice.

3 8. Adequate Protection. The Secured Creditor is entitled, under section 363(e) of the
4 Bankruptcy Code, to adequate protection of its interest in the Prepetition Collateral securing the
5 Prepetition Obligations, including Cash Collateral, for and equal in amount to the amount of Cash
6 Collateral used from and after the Petition Date, and, subject to a motion and hearing, the aggregate
7 diminution in the value of the Secured Creditor's interests in the Prepetition Collateral from and
8 after the Petition Date, if any, including any such diminution resulting from (a) the use of Cash
9 Collateral, (b) the sale, lease, or use by the Debtors (or other decline in value) of the Prepetition
10 Collateral, and (c) the imposition of the automatic stay under section 362 of the Bankruptcy Code
11 (the aggregate amount of such diminution, which shall expressly include, among other things, the
12 aggregate amount of the Cash Collateral used by the Debtors from and after the Petition Date (the
13 "***Adequate Protection Obligations***").)² Although the Debtor contends that Secured Creditor is
14 adequately protected by, among other things, substantial equity cushion, the Secured Creditor
15 disputes such contention and contends that the Debtor cannot offer adequate protection for its use
16 of Cash Collateral. The Secured Creditor has, however, consented to the Debtor's use of Cash
17 Collateral, subject to and expressly conditioned upon the granting of protections as provided for
18 in this Order.

19 9. Intentionally Omitted.

20 10. Replacement Liens as Adequate Protection to the Secured Creditor.

21 Notwithstanding the provisions of section 552(a) of the Bankruptcy Code, and in addition to the
22 security interests preserved by section 552(b) of the Bankruptcy Code, the Debtor grants, in favor
23 of the Secured Creditor and as security for all indebtedness that is owed by the Debtor to the

24

25 2 The capitalized terms "Adequate Protection Obligations" and "Adequate Protection Liens" are used in this Order for
26 convenience only, and those terms or any other reference to adequate protection in this Order do not constitute a
finding or otherwise imply that the protections and liens granted to the Secured Creditor constitute adequate protection
under sections 361, 362, 363, or 364 of the Bankruptcy Code.

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1 Secured Creditor, under the Loan Documents, but only to the extent of the Adequate Protection
2 Obligations, a first priority post-petition security interest and lien in, to and against all of the
3 Debtor's assets, to the same priority, validity and extent that the Secured Creditor held a properly
4 perfected pre-petition security interest in such assets, which are or have been acquired, generated
5 or received by the Debtor subsequent to the Petition Date, as well as in all presently owned and
6 hereafter acquired property which is not subject to a prior perfected and enforceable pre-petition
7 lien or security interest, but excluding any claims or recoveries by or on behalf of the Debtor, its
8 estate or any trustee appointed herein arising under sections 544 through 550, inclusive, of the
9 Bankruptcy Code (collectively, the "***Postpetition Collateral;***" the Prepetition Collateral and the
10 Postpetition Collateral are collectively referred to as the "***Collateral***").

11 11. Perfection. The liens and security interests granted in this Order (the "***Adequate***
12 ***Protection Liens***") are deemed perfected without the necessity for filing or execution of documents
13 which might otherwise be required under non-bankruptcy law for the perfection of said security
14 interests. Notwithstanding, the Secured Creditor is hereby authorized, but not required, to file or
15 record financing statements, trademark filings, copyright filings, mortgages, notices of lien or
16 similar instruments in any jurisdiction, or take any other action in order to validate and perfect the
17 liens granted to it hereunder. The Debtor shall execute and deliver to the Secured Creditor all such
18 agreements, financing statements, instruments, and other documents as the Secured Creditor may
19 reasonably request to evidence, confirm, validate, or perfect the liens granted pursuant hereto
20 (other than mortgages) and all such financing statements, control agreements, notices of liens, or
21 other similar instruments and documents shall be deemed to have been executed, filed and/or
22 recorded at the time and on the date of the Petition Date. A certified copy of this Order may, in
23 the discretion of the Secured Creditor, be filed with or recorded in filing or recording offices in
24 addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments.
25 Each and every federal, state, and local government agency or department may accept the entry by
26 this Court of this Order as evidence of the validity, enforceability, and perfection on the Petition

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1 Date of the Adequate Protection Liens granted herein to or for the benefit of the Secured Creditor.
2 The Debtor shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the
3 Collateral without the prior written consent of the Secured Creditor (and no such consent shall be
4 implied from any other action, inaction, or acquiescence by the Secured Creditor) or an order of
5 this Court.

6 12. Inspection. Upon reasonable notice and at such reasonable times during normal
7 business hours and otherwise as may reasonably be requested so as not to interfere with the conduct
8 of the Debtor's business, the Debtor shall permit any representatives designated by the Secured
9 Creditor, to inspect, copy, and take extracts from their financial and accounting records and all
10 records and files of the Debtor pertaining to the Collateral, and to discuss its affairs, finances, and
11 accounts with its officers, financial advisors, and independent public accountants.

12 13. Superpriority Claim. The provisions of this Order are without prejudice to the
13 Secured Creditor's right to seek the allowance of a superpriority administrative expense claim (the
14 "**Superpriority Claim**") under section 507(b) of the Bankruptcy Code with respect to the Adequate
15 Protection Obligations.

16 14. No Surcharge. During the term of this stipulated Order, no administrative expense
17 claims, including fees and expenses of professionals, that are or have been incurred from the
18 Petition Date through and including the date of any Termination Event shall be charged or assessed
19 against or recovered from the Collateral or attributed to the Secured Creditor with respect to its
20 interests in the Collateral pursuant to the provisions of section 506(c) of the Bankruptcy Code or
21 otherwise by, through, or on behalf of the Debtor, without the prior written consent of the Secured
22 Creditor, and no such consent shall be implied from any action, inaction, or acquiescence by, either
23 with or without notice to, the Secured Creditor. Except as set forth herein, the Secured Creditor
24 has not consented or agreed to the use of Cash Collateral subsequent to the Petition Date.

25 15. Notwithstanding the above or anything to the contrary in this Order, the Secured
26 Creditor and the Debtor may each seek modification of the adequate protection provided in this

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1 Order, without prejudice to the rights of the other party hereto or any party in interest to contest
2 any such modification.

3 16. No Novation. This Order shall not cause a novation of any of the Secured Creditor's
4 secured documentation or Loan Documents.

5 17. Creditor Not Deemed Owner or Operator. Solely by agreeing to the use of cash
6 collateral by the Debtor, the Secured Creditor shall not be deemed to have assumed any liability
7 to any third person, and shall not be deemed to be in control of the operations of the Debtor or to
8 be acting as a "responsible person" or "owner or operator" with respect to the operation or
9 management of the Debtor or of its assets.

10 18. Non-Waiver of Rights and Remedies.

11 a. This Order is not intended to and shall not prejudice, alter, affect or waive
12 any rights and/or remedies of the Secured Creditor (with respect to liens, claims, value
13 determinations, and all other matters) under the Bankruptcy Code or applicable non-bankruptcy
14 law (including, but not limited to, all matters pertaining to cash and other collateral).

15 b. This Order and the Budget shall constitute valid and binding obligations of
16 the Debtor and the Secured Creditor, enforceable against the Debtor and the Secured Creditor in
17 accordance with its terms. No obligation, payment, transfer, or grant of security under this Order
18 shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or any applicable
19 nonbankruptcy law, or subject to any defense, reduction, setoff, recoupment, or counterclaim.

20 c. The failure or delay by the Secured Creditor to exercise its rights and
21 remedies under this Order shall not constitute a waiver of any of the rights of the Secured Creditor
22 hereunder or otherwise, and any single or partial exercise of such rights and remedies against any
23 of the Debtors or the Collateral shall not be construed to limit any further exercise of such rights
24 and remedies against any or all of the other Debtor and/or Collateral.

25 d. Notwithstanding anything herein to the contrary, the entry of this Order is
26 without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise

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1 impair (i) any of the rights of any of the Secured Creditor under the Bankruptcy Code or under
2 non-bankruptcy law, including, without limitation, the right of any of the Secured Creditor to
3 (A) request termination or modification of the automatic stay of section 362 of the Bankruptcy
4 Code, (B) request dismissal or conversion to chapter 7 of a Chapter 11 Case, or appointment of a
5 chapter 11 trustee or examiner (including with expanded powers), or (C) propose, subject to the
6 provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans upon the expiration
7 or termination of the Debtor's exclusive period, (ii) any other rights, claims, or privileges (whether
8 legal, equitable, or otherwise) of the Secured Creditor, (iii) the rights of the Debtor to oppose any
9 requests made in accordance with clauses (i)(A), (B) and (C) above, (iv) upon a Termination Event,
10 the right of the Debtor to request approval of this Court for use of Cash Collateral, subject to the
11 right of the Secured Creditor to object and the need for the Debtor to obtain Court approval (and
12 meet all applicable legal standards) prior to any further use of Cash Collateral after the Termination
13 Event, and (v) any right of any party in interest to object to the terms and conditions of any
14 subsequent request by the Debtor for use of Cash Collateral.

15 e. The provisions of this Order shall be binding upon and inure to the benefit
16 of each of the Secured Creditor, the Debtor and their respective successors and assigns (including
17 any estate representative, chapter 7 trustee, or other trustee or fiduciary hereafter appointed as a
18 legal representative of the Debtors or with respect to the property of the estates of the Debtors).

19 19. No Priming. The Adequate Protection Liens shall not be (a) subject or junior to
20 any lien that is avoided and preserved for the benefit of the Debtor's estate under section 551 of
21 the Bankruptcy Code, or (b) subordinated to or made *pari passu* with any other lien, whether under
22 section 364(d) of the Bankruptcy Code or otherwise. No lien having a priority superior to or *pari*
23 *passu* with those granted by this Order with respect to the Adequate Protection Obligations shall
24 be granted or allowed until the indefeasible payment in full in cash and satisfaction in the manner
25 provided in this Order of the Adequate Protection Obligations, with the exception of prepetition
26 or postpetition ad valorem taxes that may be owed to the Deschutes County, Oregon, or Clatsop

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1 County, Oregon, Tax Collector. No claim having a priority superior to or *pari passu* with the
2 Superpriority Claims granted by this Order with respect to the Adequate Protection Obligations
3 shall be granted or allowed until the indefeasible payment in full in cash and satisfaction in the
4 manner provided in this Order of the Adequate Protection Obligations.

5 20. Limited Relief from Automatic Stay. The automatic stay provisions of section 362
6 of the Bankruptcy Code are hereby vacated and modified to the extent necessary to permit the
7 Secured Creditor to exercise, upon the occurrence and during the continuation of an Automatic
8 Termination Event, all rights and remedies provided for hereunder, and to take any or all of the
9 following actions without further order of or application to this Court: (a) terminate the Debtor's
10 use of Cash Collateral; (b) declare all Adequate Protection Obligations to be immediately due and
11 payable; and (c) take any other actions or exercise any other rights or remedies permitted under
12 this Order or applicable law to effect the repayment and satisfaction of the Adequate Protection
13 Obligations; provided, however, that the Secured Creditor shall provide five (5) business days
14 written notice (by facsimile, telecopy, electronic mail, or otherwise) to the Office of the United
15 States Trustee, counsel to the Debtor, and counsel to any appointed official committee prior to
16 exercising any enforcement rights or remedies in respect of the Collateral (other than the rights
17 described in clauses (a) or (b) above (to the extent they might be deemed remedies in respect of
18 the Collateral) and other than with respect to freezing any deposit accounts or securities accounts,
19 provided, that such a freeze shall only be as to items drawn on such deposit accounts from and
20 after the giving of such notice. In the event of any Termination Event which is not an Automatic
21 Termination Event, the Secured Creditor shall be entitled to a hearing on three (3) business days'
22 notice to seek relief in respect thereof. The rights and remedies of the Secured Creditor specified
23 herein are cumulative and not exclusive of any rights or remedies that they may otherwise have.

24 21. A final hearing on the Debtors' continued use of Cash Collateral shall be conducted
25 by the Court on _____, 2021, at __:0 __.m. (the "**Final Hearing**") and may be continued
26 from time to time. The Debtors are directed to promptly serve notice of the Final Hearing by first

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class mail, postage prepaid, on all parties in interest within three (3) business days of the entry of this Order, which shall constitute adequate and proper notice of the Final Hearing; and any party in interest that objects to continued use of Cash Collateral prior to the Final Hearing shall file and serve a written objection no later than _____, 2021, with the Debtors' reply to any such objection due no later than _____, 2021.

22. This Order shall be effective as of the date of entry by the Court.

/// End of Order ///

Presented by:

LEVENE, NEALE, BENDER,
YOO & BRILL L.L.P.

/s/ David B. Golubchik

David B. Golubchik (Admitted *pro hac vice*)
John-Patrick M. Fritz (Admitted *pro hac vice*)

Proposed Attorneys for Debtors and Debtors-in-Possession

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/s/ Andrew Morton, for Bryan Glover (WSBA #49467)

Bryan T. Glover, WSBA No. 51045

Proposed Attorneys for Debtors and Debtors-in-Possession

Stipulated to form by:

LANE POWELL PC

By s/ James B. Zack
David W. Criswell, WSBA No. 33410
James B. Zack, WSBA No. 48122

Attorneys for RSS WFCM2015NXS4-OR SIB, LLC,
Attorneys for RSS WFCM2016NXS5-OR SIW, LLC

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Exhibit A

Shilo Inn Bend, LLC
PROFORMA OPERATING STATEMENT PREPARED ON CASH FLOW BASIS
August 14, 2021 to October 31, 2021

	First Four Weeks by Week (Aug 14 to Sept 10, 2021)					Sept 11-30	October 2021	Aug 14 to Oct 31, 2021
	Week 1 Aug 14-20	Week 2 Aug 21-27	Week 3 Aug 28-Sep 3	Week 4 Sep 4-10	First 4 Weeks Total	20-Day Period	Full Month	
AVAILABLE ROOMS								
ROOMS SOLD	1,050	1,050	1,050	1,050	4,200	3,000	4,650	11,850
COMP ROOM NIGHTS	590	595	615	650	2,450	2,540	1,960	6,950
TOTAL ROOMS OCCUPIED	594	599	619	654	2,466	2,556	1,976	6,998
AVERAGE DAILY RATE	\$121.00	\$122.50	\$125.00	\$130.00	\$124.76	\$117.00	\$117.50	\$119.88
AVERAGE DAILY RATE (incl comps)	\$120.19	\$121.69	\$124.20	\$129.20	\$123.95	\$116.28	\$116.55	\$119.06
OCCUPANCY % (rooms sold)	56.2%	56.7%	58.6%	61.9%	58.3%	84.7%	42.2%	58.6%
OCCUPANCY % (incl comps)	56.6%	57.0%	59.0%	62.3%	58.7%	85.2%	42.5%	59.1%
REVENUE PER AVAILABLE ROOM	\$67.99	\$69.42	\$73.22	\$80.48	\$72.78	\$99.07	\$49.53	\$70.31
DEPARTMENTAL REVENUE								
ROOMS	71,390	72,890	76,880	84,500	305,660	297,200	230,300	833,160
MISCELLANEOUS	1,960	2,000	2,110	2,320	8,390	8,170	6,330	22,890
OCCUPANCY TAX COLLECTIONS ²	6,780	6,920	7,300	8,030	29,030	28,230	21,880	79,140
GROSS REVENUE and OTHER CASH RECEIPTS	80,130	81,810	86,290	94,850	343,080	333,600	258,510	935,190
COST OF GOODS / SERVICES SOLD								
ROOMS ³	21,800	22,200	23,400	25,600	93,000	85,500	68,400	246,900
MISCELLANEOUS	690	700	740	810	2,940	2,860	2,220	8,020
TOTAL COST OF GOODS / SERVICES SOLD	22,490	22,900	24,140	26,410	95,940	88,360	70,620	254,920
DEPARTMENTAL PROFIT and OTHER CASH RECEIPTS								
ROOMS	49,590	50,690	53,480	58,900	212,660	211,700	161,900	586,260
MISCELLANEOUS	1,270	1,300	1,370	1,510	5,450	5,310	4,110	14,870
OCCUPANCY TAX CASH FLOW IN	6,780	6,920	7,300	8,030	29,030	28,230	21,880	79,140
GROSS PROFIT	57,640	58,910	62,150	68,440	247,140	245,240	187,890	680,270
GEN & ADMIN EXPENSE AND OTHER CASH OUTFLOWS								
ADVERTISING & PROMOTION	4,400	4,490	4,740	5,210	18,840	19,300	15,200	53,340
PROPERTY MAINTENANCE	10,420	10,610	11,120	12,100	44,250	39,200	30,600	114,050
GENERAL & ADMINISTRATIVE	14,090	14,360	15,070	16,440	59,960	54,400	42,400	156,760
UTILITIES (Week 2 in figure represents deposits)	0	15,000	0	0	15,000	46,800	36,500	98,300
INSURANCE	0	0	8,209	0	8,209	0	8,209	16,418
SECURED PROPERTY TAX	0	0	0	0	0	0	0	0
FRANCHISE FEES ⁴	0	0	0	0	0	0	0	0
SMC MANAGEMENT FEE ⁴	0	0	0	0	0	0	0	0
OCCUPANCY TAX ²	0	0	31,740	0	31,740	30,720	39,390	101,850
TOTAL GENERAL & ADMINISTRATIVE EXPENSES AND OTHER CASH OUTFLOWS	28,910	44,460	70,879	33,750	177,999	190,420	172,299	540,718
NET CASH FLOW FROM OPERATIONS	28,730	14,450	(8,729)	34,690	69,141	54,820	15,591	139,552
Cash Beginning of Period	-	28,730	43,180	34,451	-	69,141	123,961	
Change in period	28,730	14,450	(8,729)	34,690	69,141	54,820	15,591	
Cash End of Period	28,730	43,180	34,451	69,141	69,141	123,961	139,552	
Trade Accounts Receivable Beginning of Period ⁵	9,500	9,500	9,500	9,500	9,500	9,500	9,500	
Change in period ⁶	-	-	-	-	-	-	-	
Trade Accounts Receivable End of Period	9,500	9,500	9,500	9,500	9,500	9,500	9,500	
Est. Inventory Beginning of Period ⁵	31,250	31,250	31,250	31,250	31,250	31,250	31,250	
Change in period ⁶	-	-	-	-	-	-	-	
Inventory End of Period	31,250	31,250	31,250	31,250	31,250	31,250	31,250	
FF&E (Est. FMV) Beginning of Period ⁵	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Change in period ⁶	-	-	-	-	-	-	-	
FF&E End of Period	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Real Property (FMV) Beginning of Period	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	
Change in period ⁶	-	-	-	-	-	-	-	
Real Property (FMV) End of Period	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	
TOTAL ALL ASSETS - END OF PERIOD	18,069,480	18,083,930	18,075,201	18,109,891	18,109,891	18,164,711	18,180,302	

Notes:

- 1) Payroll expense is included in Rooms, A&G, Sales, & Maintenance departments as appropriate.
- 2) Occupancy tax payments are estimated at 9.5% of revenue and payments are based on the prior month's receipts.
- 3) Rooms Department includes additional \$1,250 per week / \$5,000 per month of expenses for unplanned but necessary expenditures.
- 4) Affiliated company franchise and management fees are being deferred during the periods presented.
- 5) Estimated Balances as of 8/14/21.
- 6) Net change is assumed to be zero each period.

Exhibit B

Shilo Inn Warrenton, LLC
PROFORMA OPERATING STATEMENT PREPARED ON CASH FLOW BASIS
August 14, 2021 to October 31, 2021

	First Four Weeks by Week (Aug 14 to Sept 10, 2021)					Sept 11-30	October 2021	Aug 14 to Oct 31, 2021
	Week 1 Aug 14-20	Week 2 Aug 21-27	Week 3 Aug 28-Sep 3	Week 4 Sep 4-10	First 4 Weeks Total	20-Day Period	Full Month	
AVAILABLE ROOMS								
ROOMS SOLD	441	441	441	441	1,764	1,260	1,953	4,977
COMP ROOM NIGHTS	225	250	260	300	1,035	1,180	1,250	3,465
TOTAL ROOMS OCCUPIED	229	254	264	304	1,051	1,196	1,266	3,513
AVERAGE DAILY RATE	\$121.00	\$122.50	\$125.00	\$130.00	\$124.99	\$125.00	\$120.00	\$123.19
AVERAGE DAILY RATE (incl comps)	\$118.91	\$120.59	\$123.11	\$128.29	\$123.08	\$123.33	\$118.48	\$121.51
OCCUPANCY % (rooms sold)	51.0%	56.7%	59.0%	68.0%	58.7%	93.7%	64.0%	69.6%
OCCUPANCY % (incl comps)	51.9%	57.6%	59.9%	68.9%	59.6%	94.9%	64.8%	70.6%
REVENUE PER AVAILABLE ROOM	\$61.75	\$69.46	\$73.70	\$88.44	\$73.33	\$117.06	\$76.80	\$85.77
DEPARTMENTAL REVENUE								
ROOMS	27,230	30,630	32,500	39,000	129,360	147,500	150,000	426,860
MISCELLANEOUS	750	840	890	1,070	3,550	4,060	4,130	11,740
OCCUPANCY TAX COLLECTIONS ²	3,270	3,680	3,900	4,680	15,530	17,700	18,000	51,230
GROSS REVENUE and OTHER CASH RECEIPTS	31,250	35,150	37,290	44,750	148,440	169,260	172,130	489,830
COST OF GOODS / SERVICES SOLD								
ROOMS ³	6,000	6,600	6,900	8,100	27,600	30,800	31,300	89,700
MISCELLANEOUS	260	290	310	370	1,230	1,420	1,450	4,100
TOTAL COST OF GOODS / SERVICES SOLD	6,260	6,890	7,210	8,470	28,830	32,220	32,750	93,800
DEPARTMENTAL PROFIT and OTHER CASH RECEIPTS								
ROOMS	21,230	24,030	25,600	30,900	101,760	116,700	118,700	337,160
MISCELLANEOUS	490	550	580	700	2,320	2,640	2,680	7,640
OCCUPANCY TAX CASH FLOW IN	3,270	3,680	3,900	4,680	15,530	17,700	18,000	51,230
GROSS PROFIT	24,990	28,260	30,080	36,280	119,610	137,040	139,380	396,030
GEN & ADMIN EXPENSE AND OTHER CASH OUTFLOWS								
ADVERTISING & PROMOTION	1,790	1,950	2,040	2,340	8,120	8,000	8,100	24,220
PROPERTY MAINTENANCE	4,440	4,840	5,060	5,820	20,160	22,300	22,600	65,060
GENERAL & ADMINISTRATIVE	4,920	5,370	5,620	6,500	22,410	24,900	25,200	72,510
UTILITIES (Week 2 in figure represents deposits)	0	10,000	0	0	10,000	13,000	13,200	36,200
INSURANCE	0	0	2,238	0	2,238	0	2,238	4,476
SECURED PROPERTY TAX	0	0	0	0	0	0	0	0
FRANCHISE FEES ⁴	0	0	0	0	0	0	0	0
SMC MANAGEMENT FEE ⁴	0	0	0	0	0	0	0	0
OCCUPANCY TAX ²	0	0	18,010	0	18,010	18,360	24,050	60,420
TOTAL GENERAL & ADMINISTRATIVE EXPENSES AND OTHER CASH OUTFLOWS	11,150	22,160	32,968	14,660	80,938	86,560	95,388	262,886
NET CASH FLOW FROM OPERATIONS	13,840	6,100	(2,888)	21,620	38,672	50,480	43,992	133,144
Cash Beginning of Period	-	13,840	19,940	17,052	-	38,672	89,152	
Change in period	13,840	6,100	(2,888)	21,620	38,672	50,480	43,992	
Cash End of Period	13,840	19,940	17,052	38,672	38,672	89,152	133,144	
Trade Accounts Receivable Beginning of Period ⁵	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Change in period ⁶	-	-	-	-	-	-	-	
Trade Accounts Receivable End of Period	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Est. Inventory Beginning of Period ⁵	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Change in period ⁶	-	-	-	-	-	-	-	
Inventory End of Period	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
FF&E (Est. FMV) Beginning of Period ⁵	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
Change in period ⁶	-	-	-	-	-	-	-	
FF&E End of Period	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
Real Property (FMV) Beginning of Period	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	
Change in period ⁶	-	-	-	-	-	-	-	
Real Property (FMV) End of Period	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	
TOTAL ALL ASSETS - END OF PERIOD	7,533,840	7,539,940	7,537,052	7,558,672	7,558,672	7,609,152	7,653,144	

Notes:

- 1) Payroll expense is included in Rooms, A&G, Sales, & Maintenance departments as appropriate.
- 2) Occupancy tax payments are estimated at 12.0% of revenue and payments are based on the prior month's receipts.
- 3) Rooms Department includes additional \$1,250 per week / \$5,000 per month of expenses for unplanned but necessary expenditures.
- 4) Affiliated company franchise and management fees are being deferred during the periods presented.
- 5) Estimated Balances as of 8/14/21.
- 6) Net change is assumed to be zero each period.